

The Influence of Investment, Workforce, Tourism Attractions and Local Own Revenue on Economic Growth in Central Java Province 2013-2018

Aryanti Muhtar Kusuma¹, Andini Suryaningrum²

¹(Lecturer of Islamic Economy Faculties and Business, Islam Institute Negeri Kudus, Indonesia)

²(Student of Islamic Economy Faculties and Business, Islam Institute Negeri Kudus, Indonesia)

Abstract: Population growth is measured by the increase in the number of goods and services from the previous year resulting from the production process or economic activity of a region. This can be seen from the Gross Regional Domestic Product (GRDP) at constant prices. Gross Regional Domestic Product (GRDP) at constant prices is the amount of gross added value arising from all economic sectors in the region, where product prices are based on prices in a particular year. This study aims to determine the influence of the independent variable investment, Workforce, tourism sector, and locally generated revenue (LGR) on the dependent variable of economic growth in Central Java Province in 2013-2018. This type of research is field research and uses a quantitative approach. The data used comes from the Central Java Provincial Statistics Agency, the Central Statistics Agency of each regency / city in Central Java, the Central Java Provincial Investment Board, and the Central Java in Figures for 2013-2018. The analysis tool used is panel data regression. This study uses the selected model, that is the Fixed Effects Model, because the Fixed Effects Model is better than the other models, which have been tested using the Chow test and the Hausman test. The results show that the investment variable (PMDN) has a positive and significant effect on economic growth, the investment variable (PMA) has a positive and significant effect on economic growth, the Workforce variable has a positive and significant effect on economic growth, the tourism sector variable has a positive and significant effect on growth. economy, and the PAD variable had a positive and significant effect on the economic growth of Central Java Province in 2013-2018.

Key Word: Economic Growth; GRDP; Investment; Workforce; Tourism Sector; and LGR.

Date of Submission: 07-01-2021

Date of Acceptance: 23-01-2021

I. INTRODUCTION

A country has a good economy if within a certain period of time or successively it has always experienced increases and decreases in less than one year. However, in reality the economy that occurs in general does not always experience an increase or can be said to fluctuate. Therefore, a country needs to carry out economic development aimed at improving the country's economy. Economic development is an effort made by the government by making changes for the better in the aspect of a country's economy [1]. The preparation of regional economic development plans and policies needs to take into account the potential and capacity of each of these regions as well as the problems that are being and will be accepted. So that economic development efforts carried out in each region can be adjusted to the conditions of each region.



Figure 1. Quarterly Years On Years Economic Growth Rate Development (in percentage)

Source : Central Java Statistics Agency

Based on Figure 1 above, it can be shown that the development of the economic growth rate of Central Java and Indonesia Provinces. In the first quarter of 2019, the economic growth rate of Central Java Province experienced a decline, where the fourth quarter of 2018 of 5.280%, decreasing to 5.140% in the first quarter of 2019. This was due to several factors that caused economic growth to decline. These factors are the construction and industrial sectors, as well as the agricultural sector, which has experienced a decline in agricultural yields due to the rainy season.

Economic growth will be measured by increasing the number of goods and services from the previous year resulting from the production process or economic activities of a region. This can be seen from the Gross Regional Domestic Product (GRDP) at constant prices. Gross Regional Domestic Product (GRDP) at constant prices is the total gross added value that arises from all economic sectors in the region, where product prices are based on prices in a particular year [2]. The factors of regional economic growth are the capacity of natural resources, human resources, investment, development facilities and infrastructure, industry, technology, economic conditions and trade between regions, regional development funding and financing capabilities, entrepreneurship, and the development environment widely [3]. All of these factors can affect economic growth, but in this study the authors put more emphasis on capital investment, human resources, namely labor, development facilities, that is the tourism sector and funding capabilities through Regional Original Income (PAD).

II. LITERATURE REVIEW

2.1 Economic Development

According to Lincoln Arsyad, "regional economic development is a process in which local governments and their communities manage existing resources and make a collaboration between local governments and the private sector to create new jobs and stimulate economic growth in a region" [4]. The above shows that basically all parties, both government and private, are trying to manage the resources available in an area with the same goal of improving the welfare of the community. This is because, naturally, human beings work both individually and collectively, having the same goal, namely to increase the standard of living [5].

2.2 Economic Growth

Economic growth can be measured using the Gross Domestic Product (GDP). Gross Domestic Product (GDP) is a macroeconomic indicator that can be used to measure economic performance in a country. However, to measure economic growth in a region using the Gross Regional Domestic Product (GRDP). Gross Regional Domestic Product (GRDP) is the entire value of goods and services resulting from all economic activities of a region within a certain period of time, regardless of where the production factors used originate. The calculation of GRDP is based on two prices, that is the current price and the constant price. GRDP based on current prices is the value of goods and services in an area which is calculated using the prevailing prices for the year. Meanwhile, GRDP based on constant prices is the value of goods and services in an area which is calculated using the price in a certain year which is used as a reference. Calculations based on constant prices are useful for economic planning, projecting and assessing overall and sectoral economic growth [6]. There are important theories in economic growth. The explanations of several economic growth theories are as follows [7]:

2.2.1 Classical Flow

The classical flow first appeared at the end of the 18th century which was pioneered by the father of economics, Adam Smith, he said that economic growth was due to factors of technological progress and population development. These technological advances can run smoothly based on capital formation. With the accumulation of capital that will be used for technological progress, it can be possible to carry out specialization or division of labor according to their expertise so that labor productivity can increase. This can have an impact on increasing investment and capital stock, which is expected to increase revenue and increase technological progress.

2.2.2 Neo Classic flow

Neo-classical experts have several thoughts about the theory of economic growth, that as follows: Capital accumulation is an important factor in economic growth; Economic growth is a gradual process; Economic growth is a harmonious and cumulative process; The neo-classical school is optimistic about growth; and The growth rate consists of three sources, that is capital accumulation, labor supply and technical progress.

2.2.3 Keynes Flow

The Keynes flow emphasizes the importance of aggregate demand or effective demand as the main driving factor for the economy, in which both the state and the private sector play an important role. Keynes views the government as an independent party capable of exerting economic influence through public work.

2.2.4 Sector theory

This sector theory is developed based on the Clark Fisher hypothesis which states that an increase in per capita income will be followed by a decrease in the proportion of resources used in the agricultural sector, an increase in the manufacturing sector and also in the service industry.

2.3 Investment

Investment is an activity related to investment (funds) carried out by an investor in various fields or business sectors with the aim of obtaining certain benefits from these funds. An investment based on the source of financing is an investment based on the origin of the investment obtained. This investment is divided into two types, there as follows [8]:

1. Investments that come from foreign capital (FI)

Investment that come from foreing capital (FI) is an investment that comes from foreign financing.

2. Investments that come from domestic capital (DI)

Investments thath come from domestic capital (DI) is an investment that comes from domestic financing.

2.4 Workforce

The workforce or residents of working age 10 years and over consist of 2 (two) groups, That is the workforce and the non-workforce. The work force is part of the labor that is actually involved and who is trying to be involved in carrying out activities that have economic value, such as producing goods and services, and also vice versa. non-workforce is part of the workforce that is not involved or is not yet time to be involved in the workforce. carry out activities that have economic value, such as producing goods and services [9].

2.5 Tourism Sector

The tourism sector is a field that focuses on an area to show its potential so that it can become a tourist attraction for both foreign and domestic tourists to visit.

2.6 Locally Generated Revenue

LGR is revenue generated from regional efforts through intensification (carried out at sources that are familiar in an area by means of rates adjustments, improving service systems, and improving related systems) and extensification (carried out to increase the usual source of income by seeking new sources of income that do not violate or violate statutory regulations) [10]. The amount of LGR for each region may different because it is in accordance with the regional potential and the resource management capabilities of each region. The sources of Locally Generated Revenue (LGR) consist of Regional Taxes, Regional Levies, Proceeds from the management of separated regional assets and other legal LGR.

III. FRAMEWORK AND HYPOTHESIS

3.1 Framework

Based on economic phenomena that occur in Central Java Province, it can be seen that the percentage of economic growth rates is different in each region. This is because the factors of economic growth such as natural resources, human resources, capital resources, technological advances, and other factors that are owned by each district / city also differ. So that with the existence of several factors that can influence economic growth, a frame of mind can be drawn up to unify the thinking in this study.

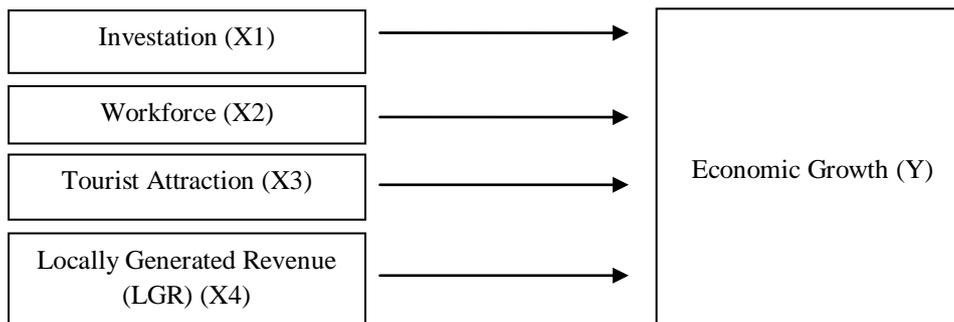


Figure 2. Framework

3.2 Hypothesis

3.2.1 Investment and Economic Growth

A region always strives to improve the economy by creating an investment climate which results are very beneficial for the regional economy. Investment is the first step taken to build the economy of a region. This investment can be carried out by the private sector, government, or in collaboration between the private sector and the government.

H1 : Investment has a positive and significant effect on economic growth.

3.2.2 Workforce and Economic Growth

The workforce which is a human being who is able to work can also affect economic growth. This is because the workforce is a human resource with high potential to become the activator, initiator and implementer of economic development in an area. The more qualified workforce, the more output or results obtained will increase the income of the workforce itself and the local government.

H2 : The workforce has a positive and significant effect on economic growth.

3.2.3 Tourist Attractions and Economic Growth

One of the applications of government investment is the development of the tourism sector. Each district / city in Central Java Province has different tourism potentials according to their respective natural, social and cultural conditions. However, the existence of tourism objects in an area does not rule out the possibility that the local economy will increase and the welfare of the local community will be guaranteed. This is due to the potential for business that can be done in these tourism objects, for example selling food, drinks, souvenirs, local handicrafts, providing public toilets, lodging, and other facilities that can be used as a business field.

H3 : Tourist attraction has a positive and significant effect on economic growth.

3.2.4 Locally Generated Value and Economic Growth

Regional development with a regional autonomy system is formed in order to achieve economic growth and community welfare. Locally Generated Revenue (LGR) can be said to be the main source of income for an area. In addition, with regional autonomy, local governments have the authority to make their own policies as long as they do not violate statutory regulations from the central government. Therefore, local governments must be able to improve the quality of services, the quality of human resources so that the regional economy can grow.

H4 : Locally Generated Revenue (LGR) has a positive and significant effect on economic growth.

IV. METHODOLOGY

4.1 Research Setting, Population and Sample

This research was conducted by looking at the data in all districts / cities in the province of Central Java. The population in this study were the districts / cities in the province of Central Java, as many as 35 districts / cities. The sample in this study is to use a non-probability sampling technique with a saturated sampling method. The sample in this study were all members of the population, that is 35 districts / cities in Central Java Province.

4.2 Data Source

Data sources are the subjects where the data required for research can be obtained [11]. The type of data needed is secondary data, so that the data sources are different. Sources of data needed in this study include:

Table 1. Research Data Sources

No	Type of Data	Year	Data Source
1	GRDP at constant prices 2010 in 35 districts / cities in Central Java Province	2013-2018	Central Java Province Statistics Agency
2	Domestic investment in 35 Regencies / Cities in Central Java Province	2013-2018	Investment Agency of Central Java Province
3	Foreign Direct Investment in 35 Regencies / Cities in Central Java Province	2013-2018	Investment Agency of Central Java Province
4	Workforce in 35 Regencies / Cities in Central Java Province	2013-2018	Central Java Province Statistics Agency
5	Tourist Attractions in 35 Regencies / Cities in Central Java Province	2013-2018	Central Java Province Statistics Agency and Central Statistics Agency of each Regency / City in Central Java Province
6	Locally Generated Revenue in 35 Regencies / Cities in Central Java Province	2013-2017	Central Java Province Statistics Agency and Central Statistics Agency of each Regency / City in Central Java Province

4. 3 Data Analysis Techniques

Panel data regression is an extension of regression analysis that combines time series data with cross section data [12]. Data analysis was performed by statistically testing the collected variables using the EViews 10 application program. The basic model to be used in this study is as follows.

$$LnPDRB = \beta_0 + \beta_1 LnPMDN_{it} + \beta_2 LnPMA_{it} + \beta_3 LnAK_{it} + \beta_4 SPAR_{it} + \beta_5 LnPAD_{it} + e_i$$

Information:

PDRB	= dependent variable, PDRB
$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$	= coefficient
PMDN	= investment variable (PMDN)
PMA	= investment variable (PMA)
AK	= workforce variable
SPAR	= tourist attraction variable
PAD	= PAD variable
i	= district / city
t	= year
e	= error term

Panel data regression analysis has 3 choices of estimation models that can be done, namely: common effect, fixed effect, and random effect. Techniques in determining panel regression model estimates, can be done using several tests to select the method of estimation approach that suits the research. The first step to take in determining the right model is to perform the Chow test on the FEM and CEM estimation results, after it is proven that there is an individual effect, the Hausman test is carried out to determine between FEM and REM. If REM is chosen, it is necessary to perform a Lagrange Multiplier (LM) test [13].

V. RESULT AND DISCUSSION

5.1 Research Results

5.1.1 Determination of Panel Data Regression Estimation Model

Techniques in determining panel regression model estimates can be carried out using several tests to select the method of estimation approach that is suitable for the research, namely the Chow test, the Hausman test, and the LM test. Chow test is a test conducted to determine the most appropriate model to use for estimating panel data, namely between the fixed effect model or the common effect model..

Table 2. Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	288.046931	(34,170)	0.0000
Cross-section Chi-square	854.887920	34	0.0000

Source : The results of data processing using EViews 9, 2020.

Based on the data processing above, table 2 chow test results show that the Chi-square cross-section probability value is at 0.0000, which means less than the significance level of 0.05. So that it can be decided that H0 is rejected and H1 is accepted so that the selected model is the fixed effect model. If the selected model is a fixed effect model, a Hausman test is required.

The Hausman test is a test conducted to determine the most appropriate model to use for estimating panel data, that is between the fixed effect model or the random effect model.

Table 3. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	32.538011	5	0.0000

Source : The results of data processing using EViews 9, 2020.

Based on the data processing above, table 3 of the Hausman test results shows that the random cross-section probability value is at 0.0000 which means less than the significance level of 0.05. So that it can be decided that H0 is rejected and H1 is accepted so that the selected model is the fixed effect model. Therefore, there is no need for the LM test because the LM test is carried out if the random effect model is selected.

5.1.2 Hypothesis Testing

5.1.2.1 Fixed Effect Model Estimation

The estimation results of panel data regression which were carried out through the Chow test and Hausman test in the previous point, the model selected and used in this study was the fixed effect model. Following are the results of the fixed effect model regression:

Table 4. Fixed Effect Model Regression Results

Hasil Regresi	Variabel						Prob.F Stat	R ²
	C	LnPMDN	LnPMA	LnAK	SPAR	LnPAD		
Koefisien	3.343933	0.002469	0.002894	0.503282	0.077361	0.181501	0,000000	0.995213
Prob.t-Stat	0,0006	0.0143	0.0276	0.0000	0.0000	0.0000		

Source : The results of data processing using EViews 9, 2020.

Based on the regression results above, the form of the equation used in this study is:

$$PDRB = \beta_0 + \beta_1 LnPMDN_{it} + \beta_2 LnPMA_{it} + \beta_3 LnAK_{it} + \beta_4 SPAR_{it} + \beta_5 LnPAD_{it} + e_i$$

$$= 3.343933 + 0.002469 LnPMDN + 0.002894 LnPMA + 0.503282 LnAK + 0.077361 SPAR + 0.181501 LnPAD$$

Information:

- PDRB = dependent variable, PDRB
- $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = coefficient
- PMDN = investment variable (PMDN)
- PMA = investment variable (PMA)
- AK = workforce variable
- SPAR = tourist attraction variable
- PAD = PAD variable
- i = district / city
- t = year
- e = error term

5.1.2.2 Dummy Variable Analysis

The fixed effect model is a regression method that estimates panel data by adding dummy variables. The existence of this dummy variable is to describe the difference in intercept between variables but with the same time intercept. Following are the results of the intercept analysis on the fixed effect model:

Table 5. Intercept Analysis Results

Dummy Variable	Intercept	coefficient	constants
_CILACAP--C	0,487540	3,343933	3,831473
_BANYUMAS--C	0,036552	3,343933	3,380485
_PURBALINGGA--C	-0,106964	3,343933	3,236969
_BANJARNEGARA--C	-0,164985	3,343933	3,178948
_KEBUMEN--C	-0,111576	3,343933	3,232357
_PURWOREJO--C	-0,150363	3,343933	3,193570
_WONOSOBO--C	-0,129549	3,343933	3,214384
_MAGELANG--C	-0,093400	3,343933	3,250533
_BOYOLALI--C	-0,050810	3,343933	3,293123
_KLATEN--C	0,033610	3,343933	3,377543
_SUKOHARJO--C	0,096651	3,343933	3,440584
_WONOGIRI--C	-0,034490	3,343933	3,309443
_KARANGANYAR--C	0,047035	3,343933	3,390968
_SRAGEN--C	0,025393	3,343933	3,369326
_GROBOGAN--C	-0,165165	3,343933	3,178768
_BLORA--C	-0,100679	3,343933	3,243254
_REMBANG--C	-0,129375	3,343933	3,214558
_PATI--C	0,024364	3,343933	3,368297
_KUDUS--C	0,510476	3,343933	3,854409
_JEPARA--C	-0,121921	3,343933	3,222012
_DEMAK--C	-0,116846	3,343933	3,227087
_SEMARANG--C	0,093119	3,343933	3,437052
_TEMANGGUNG--C	-0,105487	3,343933	3,238446
_KENDAL--C	0,111079	3,343933	3,455012
_BATANG--C	-0,107875	3,343933	3,236058

_PEKALONGAN--C	-0,132229	3,343933	3,211704
_PEMALANG--C	-0,135918	3,343933	3,208015
_TEGAL--C	-0,015408	3,343933	3,328525
_BREBES--C	0,023965	3,343933	3,367898
_KOTAMAGELANG--C	-0,072572	3,343933	3,271361
_KOTASURAKARTA--C	0,264689	3,343933	3,608622
_KOTASALATIGA--C	0,012828	3,343933	3,356761
_KOTASEMARANG--C	0,448242	3,343933	3,792175
_KOTAPEKALONGAN--C	-0,192056	3,343933	3,151877
_KOTATEGAL--C	0,022125	3,343933	3,366058

Source : The results of data processing using EViews 9, 2020

Based on the table 5 above, it can be stated that the regencies / cities in Central Java Province that have the highest constant value are Kudus Regency, Cilacap Regency, and Semarang City. This shows that if it is assumed that all independent variables in the study are zero or have no effect, then Kudus Regency, Cilacap Regency, and Semarang City have a high economic growth rate compared to other districts / cities in Central Java Province.

Meanwhile, districts / cities in Central Java Province that have the lowest constant value are Pekalongan City, Grobogan Regency, and Banjarnegara Regency. This shows that if it is assumed that all independent variables in the study are zero or have no effect, then Pekalongan City, Grobogan Regency, and Banjarnegara Regency have a low level of economic growth compared to other districts / cities in Central Java Province.

5.1.2.3 Coefficient of Determination (R²)

Based on the data processing that has been done, table 4 shows the R-squared value of 0.995213. How to calculate what percentage of the level of influence of the independent variable on the dependent variable is R-squared x 100. So that in this study, 99.52% of the economic growth variable (Y) can be explained simultaneously by the investment variables (X1), labor force (X2), the tourism sector (X3), and PAD (X4). While the remaining 0.48% is explained by other variables that are not included in the model in this study.

5.1.2.4 t Test

Partial significance test is carried out with the aim of measuring separately or individually the contribution arising from each independent variable to the dependent variable.

H1 : It is suspected that investment has a positive and significant effect on the economic growth of Central Java province

Based on the results of the calculation of investment data for the PMDN indicator using EViews 9, the t test results show that the probability value of the independent variable investment (PMDN) <critical probability value ($\alpha = 5\%$) is 0.0143 <0.05 and the t value> t table is 2.475212 > 1,960. This shows that the investment variable (PMDN) affects the dependent variable on economic growth. The regression coefficient value of 0.002469 indicates a positive direction, meaning that the investment variable (PMDN) has a positive effect on economic growth.

Meanwhile, based on the results of the calculation of investment data for the PMA indicator using EViews 9, the t test results show that the probability value of the independent variable investment (PMA) <critical probability value ($\alpha = 5\%$) is 0.0276 <0.05 and the t value> t table is 2.221614 > 1,960. This shows that the investment variable (PMA) affects the dependent variable on economic growth. The regression coefficient value of 0.002894 indicates a positive direction, meaning that the investment variable (PMA) has a positive effect on economic growth.

H2 : It is suspected that the workforce has a positive and significant effect on the economic growth of Central Java province

Based on the results of data calculations using EViews 9, the t test results show that the probability value of the independent variable of the labor force (AK) <critical probability value ($\alpha = 5\%$) is 0.0000 <0.05 and the value of t count> t table is 4.754355 > 1.960. This shows that the labor force variable (AK) affects the dependent variable on economic growth. The regression coefficient value of 0.503282 indicates a positive direction, meaning that the labor force variable (AK) has a positive effect on economic growth.

H3 : It is suspected that tourist attraction has a positive and significant effect on the economic growth of Central Java province

Based on the results of data calculations using EViews 9, the t test results show that the probability value of the independent variable tourist attraction (SPAR) <critical probability value ($\alpha = 5\%$) is 0.0000 <0.05 and the value of t count> t table is 5.481511 > 1.960. This shows that the tourist attraction variable (SPAR) affects the

dependent variable on economic growth. The regression coefficient value of 0.077361 indicates a positive direction, meaning that the tourism sector variable (SPAR) has a positive effect on economic growth.

H4 : It is suspected that PAD has a positive and significant effect on the economic growth of Central Java province

Based on the results of data calculations using EViews 9, the results of the t test show that the probability value of the independent variable of locally generated revenue (LGR) <critical probability value ($\alpha = 5\%$) is 0.0000 <0.05 and the value of t count> t table is 10.91329> 1.960 . This shows that the variable locally generated value revenue (LGR) affects the dependent variable on economic growth. The regression coefficient value of 0.181501 shows a positive direction, which means that the locally generated revenue (LGR) variable has a positive effect on economic growth.

5.1.2.5 F Test

Simultaneous significance test is carried out in order to measure overall or together the contribution arising from each independent variable to the dependent variable. The value of F table at the significance level of 0.05 is $df = n-k-1 = 210-5-1 = 204$, so that the f table is 2.26.

Based on the test results in table 4 above, it can be seen that the F test results above show the value of F count> F table of 906.1763> 2.26 and the probability value of F-statistic is smaller than alpha (0.05), which is equal to 0.000000 <0.05, which means the independent variable investment (PMDN and PMA), workforce (AK), tourist attraction (DTW) and locally generated revenue (PAD) simultaneously or together have a positive and significant effect on economic growth (GRDP).

5.2 Discussion

5.2.1 The Effect of Investment on Economic Growth

The estimation results using the Fixed Effects model show that the investment variables of PMDN and PMA have a positive effect on economic growth.

The neo-classical model states that one of the important factors in economic growth is the accumulation of capital, or in other words, investment. Foreign investment is an investment that comes from foreign financing. Meanwhile, domestic investment is investment sourced from domestic financing. Thus, this investment can have a positive impact on economic development, both foreign investment and domestic investment can both have a positive impact on economic development. This is because if a Regency / City has funds allocated for investment, the Regency / City has the funds to carry out regional development and obtain profits from the investment returns. So that the economic growth of the region can increase.

5.2.2 The Effect of the Workforce on Economic Growth

The estimation results using the Fixed Effects model show that the labor force variable has a positive effect on economic growth.

The source of economic progress in a region includes various factors, but it can be said that the main source of economic growth is investment which can have a good impact on increasing the quantity and quality of productive human resources through new discoveries, innovations and technological advances. Increased knowledge and skills will encourage increased work productivity in the workforce. So that someone who has high productivity will get better welfare. The higher the quality of human resources, the more new technologies will be created. Thus, the higher the number of qualified workforce, it can improve the economy of a region.

5.2.3 The Effect of Tourist Attractions on Economic Growth

The estimation results using the Fixed Effects model show that the tourist attraction variable has a positive influence on economic growth.

Clark Fisher argues that the increase in per capita income will be followed by an increase in sectors that can generate income, one of which is the tourism sector. In addition, according to Nawawi in his book, he said about the direct effect of tourist visits on regional income and economy. The more the number of tourist objects, the more tourists who visit and the longer the tourists stay in each tourist visit, the direct economic effect of the tourist's existence will also increase. So it can be said that the presence of tourists visiting the existing tourism sectors can affect the increase in local economic growth.

5.2.4 The Influence of Locally Generated Revenue on Economic Growth

The estimation results using the Fixed Effects model show that the PAD variable has a positive effect on economic growth.

Locally Generated Revenue (LGR) can be said to be the main source of income for an area. In addition, with regional autonomy, local governments have the authority to make their own policies as long as they do not violate statutory regulations from the central government. The increase in LGR can encourage regional

economic growth, because the increase in LGR can also optimize and increase activities in sectors that can affect economic growth, such as the industrial and trade sectors, the service sector, and other sectors based on the resources they have. Thus, an increase in LGR can trigger regional economic growth in the present and in the future to be better than the regional economic growth in the past.

VI. CONCLUSION

This study analyzes the influence of investment, workforce, tourist attraction and LGR on the economic growth of Central Java province in 2013-2018. Based on the results of the research that has been done, the following conclusions are obtained: 1) Investment has a positive and significant effect on the economic growth of Central Java Province, 2) The workforce has a positive and significant effect on the economic growth of Central Java Province, 3) Tourist attraction has a positive effect and significant to the economic growth of Central Java Province, 4) Locally generated revenue (LGR) has a positive and significant effect on the economic growth of Central Java Province

VII. REKOMENDATION

Based on the results of the research that has been done, the suggestions given for further research are as follows :

1. If interested in doing similar research, you should add more varied variables because there are still many factors that can affect economic growth.
2. If interested in doing similar research, you should add more time series data so that the research results can be seen in the long term.
3. If interested in doing similar research, you should add additional measurement indicators for the variable tourist attraction, for example the number of tourists, the amount of tourism revenue, and etc

REFERENCES

- [1]. Rahardjo Adisasmita, *Dasar-Dasar Ekonomi Wilayah* (Yogyakarta: Graha Ilmu, 2005), 140.
- [2]. Robinson Tarigan, *Ekonomi Regional* (Jakarta: Bumi Aksara, 2015), 18.
- [3]. Rahardjo, *Dasar-Dasar Ekonomi Wilayah*, 22.
- [4]. Lincoln Arsyad, *Ekonomi Pembangunan* (Yogyakarta: UPP STIM YKPN Yogyakarta, 2010), 374.
- [5]. Faried Wijaya, *Seri Pengantar Ekonomika: Ekonomikamakro* (Yogyakarta: BPF, 2000), 265.
- [6]. Mawarni, dkk, "Pengaruh Pendapatan Asli Daerah Dan Dana Alokasi Umum Terhadap Belanja Modal Serta Dampaknya Terhadap Pertumbuhan Ekonomi Daerah (Studi Pada Kabupaten Dan Kota Di Aceh)," *Jurnal Akuntansi Pascasarjana Universitas Syaih Kuala* 2, no. 2 (2013): 83.
- [7]. Rahardjo, *Dasar-Dasar Ekonomi Wilayah*, 22-32.
- [8]. Salim dan Budi Sutrisno, *Hukum Investasi di Indonesia* (Jakarta: Rajawali Pers, 2008), 37-38
- [9]. Mulyadi Subri, *Ekonomi Sumber Daya Manusia* (Jakarta:Rajawali Pers, 2012), 60
- [10]. Sahya, *Administrasi Keuangan Negara*, 326.
- [11]. Sigit Hermawan dan Amirullah, *Metode Penelitian Bisnis: Pendekatan Kuantitatif dan Kualitatif* (Malang: Media Nusa Creative, 2016), 142.
- [12]. Gujarati Damodar dan Dawn C Porter, *Dasar-Dasar Ekonometrika* (Jakarta:Salemba Empat,2012)
- [13]. Dody, *Pemodelan Laju Inflasi Di Provinsi Jawa Tengah Menggunakan Regresi Data Panel*, 316.

Aryanti Muhtar Kusuma, et. al. "The Influence of Investment, Workforce, Tourism Attractions and Local Own Revenue on Economic Growth in Central Java Province 2013-2018." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 26(01), 2021, pp. 28-36.